

Agency 16 - Department Of Revenue

Statutory Authority:

The Nebraska Department of Revenue was officially created by the 1969 Legislature's enactment of Sections 77-360, R.R.S. 1943, effective on January 1, 1970, and the Tax Commissioner was designated as the Department's chief executive or director. The Tax Commissioner's office originated during the Constitutional Convention in 1919-1920. Article IV, Section 28, of the Constitution and Section 77-361 of the Revised Statutes of Nebraska, 1943, gives the Department of Revenue under the direction of the Tax Commissioner, jurisdiction and authority over the administration of all revenue laws of the state.

Vision Statement:

The Department of Revenue will strive to administer the revenue and lottery laws of the State in the most effective manner possible using current technology to more efficiently collect revenues via electronic means.

Mission Statement:

The mission of the Department of Revenue is to serve the public by administering the state revenue laws with integrity, efficiency and consistency.

Goals:

1. Provide all taxpayers in the State the most efficient service in all areas of tax compliance and processing.
2. Provide the State adequate tax law enforcement for all tax categories, including gaming and motor fuels.
3. Provide Revenue statistical support and research services to the Legislature and other agencies of state government.
4. Implement new initiatives as directed by statute for property tax, gaming, finance and research, and motor fuels.
5. Pursue alternative tax filing methods to obtain easier and more timely filings.
6. Derive new Lottery products and delivery methods to raise funding for specified programs.

Financial Data:

	Actual FY02	Approp FY03	Request FY04	Recom FY04	Request FY05	Recom FY05
General Fund	62,890,389	62,788,421	62,904,562	67,203,446	62,904,562	69,840,303
Cash Fund	16,261,782	19,108,054	18,265,609	18,454,658	18,669,408	18,989,655
Federal Fund	1,844	25,000	25,000	25,000	25,000	25,000
Revolving Fund	3,330	6,678	6,678	6,678	6,678	6,678
Other Fund	0	0	0	0	0	0
Total Agency	79,157,345	81,928,153	81,201,849	85,689,782	81,605,648	88,861,636

Agency 16 - Department Of Revenue Program 013 - Tax Commissioner's Salary

Program Objectives:

The salary of the Tax Commissioner is submitted as a separate program request because the Tax Commissioner is a constitutionally designated officer. Statutory authority of the Tax Commissioner is to serve as the chief executive officer of the Department of Revenue. As CEO of Revenue, the Tax Commissioner is responsible for the development of policies and procedures for revenue collection at the state and local levels and is also responsible for the administration and collection of all State revenues as provided by law.

Financial Data:

	Actual FY02	Approp FY03	Request FY04	Recom FY04	Request FY05	Recom FY05
General Fund	99,554	106,207	106,207	109,282	106,207	111,241
Cash Fund	0	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total	99,554	106,207	106,207	109,282	106,207	111,241

Performance Measures:

The goal of the Tax Commissioner is to operate the Department of Revenue in the most efficient, effective and economical manner possible while still achieving all the legislative mandates prescribed by statute. The goals and objectives outlined for the agency are the goals the Tax Commissioner is striving to achieve. Evaluation measures for this program are the accomplishment of the overall goals outlined for the agency.

Agency 16 - Department Of Revenue

Program 102 - Revenue Administration

Program Objectives:

The objectives of Revenue Administration are:

1. to administer the State's revenue laws through enforcement and collection activities,
2. to provide assistance to Nebraska taxpayers,
3. to provide statistical information and projections of anticipated tax revenues to the Legislature and other interested parties.

The Department directly administers all State tax revenues with the exception of liquor and insurance taxes. Audits are performed on selected taxpayers located throughout the nation to determine that all appropriate taxes are reported and paid the State. The Department maintains branch offices located throughout Nebraska as well as a toll free taxpayer assistance line.

Financial Data:

	Actual FY02	Approp FY03	Request FY04	Recom FY04	Request FY05	Recom FY05
General Fund	18,990,491	20,296,840	20,412,981	20,039,327	20,412,981	20,474,225
Cash Fund	123,087	214,022	214,022	217,886	214,022	220,886
Federal Fund	0	0	0	0	0	0
Revolving Fund	3,330	6,678	6,678	6,678	6,678	6,678
Other Fund	0	0	0	0	0	0
Total	19,116,908	20,517,540	20,633,681	20,263,891	20,633,681	20,701,789

Performance Measures:

The program objective of this program is to provide fair and equitable tax administration and to collect State tax revenues in the most efficient and effective manner for taxpayers of the State.

Agency 16 - Department Of Revenue Program 104 - County Property Tax Relief

Program Objectives:

The County Property Tax Relief Program was created by LB 695 in 1998 and is found in Section 77-3618 R.R.S. The program is used to distribute money to county governments to provide property tax relief and equalize county capacity to pay for public services from property taxes. Funds are distributed on or before September 1 each year according to the formula created in Section 77-3618.

Financial Data:

	Actual FY02	Approp FY03	Request FY04	Recom FY04	Request FY05	Recom FY05
General Fund	6,007,165	4,505,374	4,505,374	4,054,837	4,505,374	4,054,837
Cash Fund	0	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total	6,007,165	4,505,374	4,505,374	4,054,837	4,505,374	4,054,837

Performance Measures:

Agency 16 - Department Of Revenue

Program 108 - Homestead Reimbursement To Counties

Program Objectives:

This program provides property tax relief to special categories of homeowners through State funded reimbursements to local governments for property taxes not collected due to homestead exemptions granted.

Financial Data:

	Actual FY02	Approp FY03	Request FY04	Recom FY04	Request FY05	Recom FY05
General Fund	37,793,179	37,880,000	37,880,000	43,000,000	37,880,000	45,200,000
Cash Fund	0	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total	37,793,179	37,880,000	37,880,000	43,000,000	37,880,000	45,200,000

Performance Measures:

This program provides for the reimbursement to counties of a limited homestead exemption from General Funds for the revenue lost due to this provision of statutes. Payment is made to the counties from January to June. The program will be measured by the distribution of homestead payments in the most efficient and effective manner by the Department. This will be evaluated and measured by the Tax Commissioner.

Agency 16 - Department Of Revenue Program 111 - Motor Fuel Administration

Program Objectives:

This program's objectives include:

1. administering all motor fuel tax programs;
2. providing assistance to taxpayers regarding motor fuels tax programs; and
3. ensuring compliance with laws through an increased emphasis on collections, audit and investigation activities.

Financial Data:

	Actual FY02	Approp FY03	Request FY04	Recom FY04	Request FY05	Recom FY05
General Fund	0	0	0	0	0	0
Cash Fund	1,723,155	2,022,322	1,976,546	2,027,141	1,976,546	2,069,345
Federal Fund	1,844	25,000	25,000	25,000	25,000	25,000
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total	1,724,999	2,047,322	2,001,546	2,052,141	2,001,546	2,094,345

Performance Measures:

In support of these objectives, the following goals are set:

1. Maintain audit presence across the state. Audit one taxpayer in each county every 5 years.
2. Audit 3 - 4 large suppliers each year.
3. Audit one terminal per year.
4. Audit every ethanol producer in the program every three years.
5. Audit refund claims totaling \$10,000 or more in one year.
6. Audit a selected number of retailers.
7. Increase audits of 4136N.
8. Provide CPE for interested auditors.
9. Data enter Export schedules from other states within 2 weeks of receipt.
10. Educate carriers on reporting and obtaining diversion permits which will match schedule data.
The ultimate result could be elimination of the carrier return.
11. Set up a schedule for verifying account information with taxpayers.
12. Deposit all funds the same day received.
13. Process refund claims, Forms 84 within 45 days of receipt.
14. Process agricultural refund claims, Forms 84AG within 31 days of receipt.
15. Review every retailer in a border county every four years; and all other retailers every six years.
16. Successfully educate the EDI taxpayers so that files are "processable" the first time received.
17. Develop more edits and pre-checks so that cross matching deals with true missed loads.
18. Work with surrounding states to both send and receive export data electronically.
19. Develop "electronic subscriptions" on web site to reduce mailing costs.

Agency 16 - Department Of Revenue Program 160 - Lottery Administration

Program Objectives:

The mission of the Nebraska Lottery is to maximize Lottery ticket sales and to transfer a minimum of 25% of Lottery ticket revenue to the three recipient funds. Also, to provide a good entertainment option with a high level of integrity within the game structure, distribution channels and Lottery operations.

Financial Data:

	Actual FY02	Approp FY03	Request FY04	Recom FY04	Request FY05	Recom FY05
General Fund	0	0	0	0	0	0
Cash Fund	12,501,842	14,725,131	13,915,348	13,994,226	14,319,147	14,433,674
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total	12,501,842	14,725,131	13,915,348	13,994,226	14,319,147	14,433,674

Performance Measures:

Agency 16 - Department Of Revenue Program 504 - Charitable Gaming

Program Objectives:

1. Insure only qualified individuals and businesses are authorized to conduct charitable gaming activities.
2. Insure that all charitable gaming revenues are fully reported and accounted for and used only for those purposes permitted by law; prevent the purposes for which the profits of charitable gaming activities are to be used from being subverted by improper elements.
3. Protect the health and welfare of the public and insure that charitable gaming activities are being conducted only by those methods permitted in each of the acts.

Financial Data:

	Actual FY02	Approp FY03	Request FY04	Recom FY04	Request FY05	Recom FY05
General Fund	0	0	0	0	0	0
Cash Fund	1,913,698	2,146,579	2,159,693	2,215,405	2,159,693	2,265,750
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total	1,913,698	2,146,579	2,159,693	2,215,405	2,159,693	2,265,750

Performance Measures: